

Procurement and Delegation Policy

Pony Club Victoria



1. Purpose

The policy applies across all levels of the PCV organisation and does the following:

- Defines levels of delegated authority and provide guidelines on its application across PCV;
- Establish the levels of authority delegated to duly appointed PCV Officers, employees and contractors;
- Details authority to incur expenditure and administer funds;
- Clarifies financial accountability and responsibility for the day-to-day operations of PCV for the Board as well as the members;
- Establishes a framework to safeguard the use of PCV funds;
- Ensures the Board as well as employees and contractors of PCV are provided with the financial authority necessary to discharge their duties and responsibilities;
- Ensures internal controls and compliance with relevant delegations are adequately maintained and followed;
- Provides authorising delegating limits for contracts and agreements and parameters when they fall inside and outside of budgeted parameters.

2. Background/Scope

PCV is a not for profit organisation that functions using a combination of remunerated positions, contractors and some designated committee positions as well as voluntary service capacity

This policy applies to all Board of Directors, employees and contractors of PCV

The Schedule of Delegation below outlines and includes authorisation and approval limits for the following:

- Authority to approve operating and capital expenditure;
- Banking and Finance;
- Invoicing and Debtors;
- Human Resources and Payroll;
- Travel, including Interstate travel;
- Authority to enter contracts, and
- Other specified authorities.

3. Principles of Delegation

All financial delegations for delivery of adequate office function are subject to the approved annual budget allocation.

Any items outside the approved budget must be referred to the Board or CEO irrespective of quantum.

All Delegations are subject to any overriding federal/state legislation

Consideration must be given to risks and internal controls when exercising a delegation.

The delegation of authority is unique to a specified position (or to a person acting in that position) and is not transferable.

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Monetary amounts (excluding GST) as stated in this policy are the **maximum** delegated amounts per transaction.

All expenditure is to be approved considering availability of funding within budget and expense area.

Approval must not be made for any self-related matters- these include expenditure or reimbursement to self, certifying own invoices, or amendments to salary packaging.

All amendments, changes and deletions to the specified delegations within this policy must be approved by PCV Board of Directors.

4. Agreements or Contracts

Agreements and contracts that may infer legal rights and liabilities may include the following:

- Agreements for the provision of goods and services- operational leases, computer services, software agreements etc;
- Agreements for the receipt of goods and services;
- Engagement of consultants or agreements relating to consultants;
- Approval of transfer of assets;
- Approval of leases;
- Licences to use PCV assets;
- Memoranda of Understanding.

Contracts outside of the approved budget/over the delegated limit must be approved by the Board of Directors.

Contracts within the delegated authority limits and parameters of the approved budget is outlined in the Schedule of Delegations (section 6)

5. Provision of Services – Maximum Threshold Values

Where there is no approved supplier(s), the requirement as set out in Table 1 must be satisfied

The Threshold Values are to be applied on the anticipated total expenditure, accumulated over the total term of a contract, are in AU\$ and are exclusive of GST

Evidence of the requirements and assessment of value for money is required to be documented and submitted with the request for a Purchase order. The requirements for demonstrating a competitive, fair and transparent process and the corresponding values at which the thresholds apply are set out in Table 1 below:

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TABLE 1: THRESHOLD VALUES EXCLUDING GST (FOR A FULL CONTRACT TERM)

TYPE OF PURCHASE	THRESHOLD VALUE	REQUIREMENTS
1 quote	\$0 TO \$Board to determine	Minimum 1 documented quote
3 quotes	\$Board to determine TO \$Board to determine	Minimum 3 written quotations
Strategic Sourcing	\$Board to determine and above	Tender process

NB The Board will determine the thresholds when developing the Policy, which will be reflected here.

SAMPLE

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ITEM	Activity/Level	Authorisation level required	Authorisation requirement (required signatories)	Documentation requirements/control	Control	Comms to clubs
1. Authority to Approve Operating/Capital Expenditure						
1.1 Operating Expenditure	\$2000	CEO/EO	1 CEO, 1 Director or 2 Directors			
	Up to \$10,000		2 Directors			
	Above \$50,000	Full Board of Directors		Recommended at Board meeting, communicated to member clubs	Briefing Paper to Board of Directors	
	All amounts above \$100,000	Full Board of Directors	Motion successful at Full Board	Recommended at Board meeting, communicated to member clubs	Briefing Paper to Board of Directors	?
1.2a Capital Expenditure	Budgeted Expenditure - Specified items within Board approved financial budget	CEO	2 Directors or CEO and 1 Director		Capital expenditure proposal to Board Items above \$ \$Board to determine to be listed in fixed asset register	
1.2b Capital Expenditure	Discretionary (outside of Budget) - replacement items within Board approved financial budget >\$10000	Board of Directors	Full Board motion		Listed in fixed asset register	

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ITEM	Activity/Level	Authorisation level required	Authorisation requirement (required signatories)	Documentation requirements/control	Control	Comms to clubs
1.2c Capital Expenditure	Discretionary (outside of Budget) -Replacement items within Board approved financial budget >\$100,000	Full Board		To be communicated to member clubs		?
1.3 Expense reimbursement	<\$1000	CEO	CEO to sign	Request for spending form		
	>\$1000	CEO plus 1 Director	CEO and 1 Director	Request for spending form		
	>\$2000	Board		Business justification form completed		
1.4 Petty Cash	Only amounts under \$200	CEO	CEO	Petty cash reimbursement request (must be approved prior to purchase)		
1.5 Cab Charge Voucher/Travel costs	All – capped amount based on \$Board to	CEO		Travel Expense claim form		

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ITEM	Activity/Level	Authorisation level required	Authorisation requirement (required signatories)	Documentation requirements/control	Control	Comms to clubs
	determine					
2.0 Banking and Finance						
2.1 Allocation of funds to Terms deposits		Board	Approval from Chair of Board following successful vote at Board meeting	CEO to execute	Update Investments Register	
2.2 Open Bank Accounts		Board resolution	Executed by 2 Directors or 1 Director and Company Secretary for non-fixed term deposit accounts established with new or existing PCV banking provider		Update accounts system	
2.4 EFT Payment file upload/direct credit upload	All	CEO	Two signatories required (any two of Director, CEO) Or as stipulated in constitution	All electronic transactions must have 2 signatories authorising all transactions		
2.5 Refunds	All	Chairman and CEO	Request for refund form	Requires supporting documentation regarding refund		
2.6 Operating Budget		Board of Directors	Requires ratification of full Board	Approved budget template	All expenditure outside of budget must be recommended to the Board and then endorsed at	

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ITEM	Activity/Level	Authorisation level required	Authorisation requirement (required signatories)	Documentation requirements/control	Control	Comms to clubs
					Board level	
3. Invoicing and Debtors – Including Write offs/Bad debts/Disposal of Assets						
3.1 Issue invoices		CEO/Manager of office				
3.2 Setting of fees		Board				
3.3 Writing off bad debts		Board		Upon recommendation by CEO and endorsed at Board level		
3.4 Disposal of Assets	Assets value of < \$Board to determine					
	Assets value of > \$Board to determine					?
4.0 Contracts						
4.1 Formal Deed		Board resolution	Unlimited	Limited to		2 Directors or 1 Director and CEO
4.2 General grants and other deeds			N/A			Signed by CEO and witnessed

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ITEM	Activity/Level	Authorisation level required	Authorisation requirement (required signatories)	Documentation requirements/control	Control	Comms to clubs
4.3 Project agreements		Board resolution	N/A	CEO to execute		
4.4 New contracts - For goods and services to be provided (outside of budget)	Board of Directors		Unlimited	Unlimited		
4.5 Minor contracts For goods and services to be provided (within overall budget but not otherwise specified)	CEO			\$ \$Board to determine		
4.6 Intellectual Property Licence		Licence executed by CEO following advice to Board	N/A	Unlimited		

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ITEM	Activity/Level	Authorisation level required	Authorisation requirement (required signatories)	Documentation requirements/control	Control	Comms to clubs	
5.0 Staff Recruitment							
5.1a Appointment of CEO	Appointment, termination and salary of CEO	Board of Directors					
5.1b Appointment of employees	Appointment, termination and salary -other paid employees	?CEO and panel review for employment	Within approved budget				
5.2Entitlements	Employee entitlements	CEO -approval by Board	2 Directors or 1 Director and CEO or Chairman and CEO	Employment offer and contract of employment Position Description	Industrial Instrument/Award Contract of employment		
6.0 Expenses							
6.1aSupply of goods and services	-where purchase authorisation within Board approved financial budget	CEO		Unlimited			
6.1b Supply of goods and services	- where purchase authorisation outside of approved financial	Board					

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ITEM	Activity/Level	Authorisation level required	Authorisation requirement (required signatories)	Documentation requirements/control	Control	Comms to clubs
	budget					
6.2a Travel	Local	CEO: approval granted by? Chairman Other PCV employees: approval granted by CEO				
6.2b Travel	Interstate	CEO – limited, Other staff – CEO approval				
6.3 Donations		The annual value of donations must not exceed the value allocated in the annual financial budget approved by the Board of Directors		Capped at Board approved annual budget value		
6.4 Legal Advice	- Authority to engage legal consultants	Board of Directors		Unlimited		
6.5 Tax/Accounting consultancy	- Authority to engage tax/accounting consultants other	Board of Directors		Unlimited		

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ITEM	Activity/Level	Authorisation level required	Authorisation requirement (required signatories)	Documentation requirements/control	Control	Comms to clubs
6.6 Other (unspecified) Consultancy Services	- Authority to engage consultants other than legal, tax and accounting	Board of Directors		Unlimited		
7.0 Extraordinary Items						
7.1	Approval by Board of Directors only	Investments, litigation, financing, employee loans and incentives (not subject to employment contract) and business acquisitions – considered in conjunction with the PCV Rules of Incorporation	Unlimited	N/A		

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Related Policies, regulations, guidelines, and forms

- Governance Policy
- Capital expenditure policy
- Travel policy
- Donations policy
- Program & project management policy
- Policy approval policy
- Internal Controls policy
- Request for spending form
- Travel expense claim form
- Petty Cash request form
- Capital expenditure request form

SAMPLE